

# ReedSmith

Wallace Neel  
Direct Phone: 212.521.5452  
Email: wneel@reedsmith.com

Reed Smith LLP  
599 Lexington Avenue  
New York, NY 10022-7650  
+1 212 521 5400  
Fax +1 212 521 5450  
reedsmith.com

May 9, 2008

By Fax 212-805-4268

The Honorable Gabriel W. Gorenstein  
United States Magistrate Judge  
Southern District of New York  
500 Pearl Street  
New York, New York 10007

MEMORANDUM ENDORSED

Re: E\*Trade Savings Bank et ano v. Nat'l Set. Agy. et al., 07-CV-8065 (LTS/GWG)

Dear Judge Gorenstein:

I write on behalf of, and with the consent of, all counsel with respect to the settlement conference before Your Honor pursuant to the December 3, 2007 Preliminary Conference Order entered in this matter. Counsel are of the opinion that given the apparent illiquidity of all defendants and the present pendency of a motion to dismiss all claims against defendant Fast Track Title Agency LLC, settlement discussions are extremely unlikely to be productive at this point in time, if ever. Counsel will, of course, meet with the Court at Your Honor's convenience. However, counsel respectfully suggest that if such a conference is to occur, it will be a more useful exercise if it is scheduled for a date after the Court rules on the pending motion to dismiss. A conference prior to that time would be premature because the state of play will not be clear enough to permit counsel to accurately gauge their respective clients' potential recoveries and exposures.

The parties thank the Court for its time and attention to this request.

Respectfully submitted,

  
Wallace Neel

WN:eg

cc: Carl M. Perri, Jr., Esq.  
Jonathan B. Bruno, Esq.

*When counsel are prepared to participate in a settlement conference, they shall inform the Court by letter.*

SO ORDERED, DATE 5/9/08  
  
GABRIEL W. GORENSTEIN  
UNITED STATES MAGISTRATE JUDGE